

BIP Last Mile and Middle Mile: *Application Guide for Applying for Funding from the Broadband Initiatives Program*

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Applying for funding for the Rural Utilities Service's (RUS) Broadband Initiatives Program (BIP) can be a challenging process. This guide is to help those interested in funding for rural Last Mile and Middle Mile projects understand the application process and eligibility requirements, as well as recommendations for dividing the application among a project team to provide an understanding of what is required to complete an application by the March 15th deadline. Although this guide is not a replacement for the January 15, 2010 Notice of Funding Availability (NOFA) or other resources published by RUS, it serves as a roadmap for applying for BIP infrastructure funding.

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Additional information and resources about this opportunity is available from the Open Technology Initiative at: <http://www.newamerica.net/broadbandstimulus> or Native Public Media: www.nativepublicmedia.org

Opportunity Background

The American Recovery and Reinvestment Act of 2009 (ARRA) allocated \$7.2 billion for broadband projects. The first round NOFA was released in July 2009 and made \$2.4 billion available through RUS's BIP program and \$1.6 billion through the National Telecommunications and Information Administration. The NOFA for the second and stated final round of broadband stimulus funding was released on January 15, 2010. Of the \$2.2 billion currently available from BIP, \$1.7 billion is allocated for Last Mile Projects and up to \$300 billion for Middle Mile. Funding is also available for Satellite, Rural Library, and Technical Assistance projects but these are not covered by this guide. An additional \$95 million is kept in reserve and can be applied to any category of funding.

BIP provides funding for infrastructure in areas that are 75% rural and "without sufficient access to high speed broadband service: (NOFA section 1.A.). Focusing on Last Mile projects, exclusive Middle Mile projects can apply, but have additional eligibility requirements and are encouraged to instead apply for funding from NTIA especially if they are not current BIP loan or grant recipients.

By default, funding is 75% grant and 25% loan, though applicants may request a waiver for a greater grant percentage. Applications must be filed electronically and projects requesting over \$1 million in funding must receive certification from a professional engineer certified in at least one of the states where there is project construction.

Additional Resources

- Broadband USA: <http://www.broadbandusa.gov>
- Notice of Funding Availability (NOFA) for BIP Round 2: http://www.broadbandusa.gov/files/FedRegNOFA_R2_RUS.pdf
- Broadband Initiatives Program Round 2 Application Guide : <http://www.broadbandusa.gov/files/BIP%20Application%20Guide%20-%20Round%202.pdf>

Application Details

Application Process

BIP has a one-step review process and all required project information must be submitted with the application. After the application is evaluated based on the criteria below, there will be a 30-day public notice of the proposed funded service area during which incumbent services providers can submit data on their offerings in the area. RUS reserves the right to request additional information or verify the proposed funded service area with field staff. Awards will be announced based on score from the evaluation criteria. If additional funding remains after initial awards have been announced, applicants may receive a second review with an opportunity to revise their application.

Important Terminology

Broadband – Defined by the NOFA as a connection to the Internet with speeds advertised as faster than 756 kilobits per second (kbps) downstream and 200 kbps upstream.

BIP – Broadband Initiatives Program, administered by the Rural Utilities Service of the U.S. Department of Agriculture, distributes grant/loan combinations for infrastructure projects in rural areas.

Critical Communities Facilities - As defined by the NOFA: "public facilities that provides community services essential for supporting the safety, health, and well-being of residents." These include libraries, schools, and emergency response.

High Speed Access – Broadband service with a combined upstream/downstream speed of 5 megabits per second (mbps)

"Last mile" – A network connecting to end-users, such as residences or small businesses.

"Middle mile" – A network providing a high-capacity connection but not connecting to end-users, such as a network connecting community anchor institutions. Last mile networks connect to middle mile networks that connect to the public Internet.

Rural Area – An area not within a city, town, or incorporated area with a population greater than 20,000, or an urbanized area contiguous and adjacent to a city or town with a population greater than 50,000.

Timely Completion – The project will be 67% complete with in two years, and fully complete with all funds spend within three years of award date.

"Unserviced" – An area with no access to facilities based broadband.

Important Dates

- Applications are due March 15, 5:00 PM Eastern Standard Time.
- RUS will announce BIP Round 2 awards by September 30, 2010.

Applicants do not need to wait to begin applying; information can be saved and submitted when the application is complete.

Evaluation Criteria

Projects will be scored on the following criteria 100 points is possible for Last Mile and 92 for Middle Mile. For more details see NOFA section VI.

- 10 Points – Proportion of Rural Residents Served in an Unserved Area
- 10 Points – Rural Area Targeting
- 5 Points – Distance from Non-Rural Areas
- 8 Points – Existing Title II Borrower
- 5 Points – Other Recovery Act Awards
- 10 Points – Performance of the Offered Service
- 6 Points – Service to Critical Community Facilities and Social and Economically Disadvantaged Small Businesses (SDBs)
- 10 Points – Organizational Capability
- 3 Points – Applicant is a SDB
- 10 Points – Leverage of Outside Resources
- 15 Points – Extent of Grant Funding
- 8 Points – Cost Effectiveness (Last Mile only)

Eligibility

To be eligible, applicants must:

- Submit a fully completed application
- Demonstrate the project can be timely completed
- Demonstrated the technical feasibility of the project
- Commit to nondiscrimination and interconnection obligations
- All costs can be funded after approval of award
- Project is financially feasible and sustainable
- Last mile costs do not exceed \$10,000 per household passed, unless waiver is requested
- Provide services for the life of the facilities
- Eligible services areas:
 - Last mile projects must be 75% rural, and 50% of rural households do not yet have High Speed Access
 - Middle mile projects must have 75% of interconnection points in rural areas that do not yet have High Speed Access
 - RUS will not fund more than one project in any given geographic area. If multiple applications for the same service are submitted in a geographic area, the application with the highest score will be funded.

Eligible Entities

- States or local governments
- The District of Columbia, territories, and possessions of the United States
- **Indian tribes and native Hawaiian organizations**
- Non-profits
- For-profit entities or corporations
- Limited liability companies
- Cooperative or mutual organizations

Eligible Costs:

All projects costs, including match and award request, must be eligible costs which include:

- Construction or improvement of facilities to provide broadband service
- Leases of facilities to provide broadband service
- Reasonable pre-application expenses, up to 5% of the total award
 - Reasonable Indirect costs
- Undertaking other projects or activities the NTIA determines is consistent with BTOP purposes

Operating costs are ineligible expenses, as are acquisitions of stock and facilities of an affiliate or spectrum. Additional ineligible expenses are outlined in section IV.D. 2.a.ii. of the NOFA.

Necessary Documents and Details

Records

- Contact Information and additional contacts
- DUNS Number available from 1-866-705-5711 or at <http://fedgov.dnb.com/webform>
- Central Contractor Registration (CCR) at <http://www.ccr.gov/StartRegistration.aspx>
- Organization Information
- Co-applicant(s) Details, if applicable
- Buy American Waiver, if applicable
- Cooperation with other Recovery Act awards (Attachment 3)
- Historical Financial Statements (Attachment 17)
- Details of Debt and Equity Funding (Attachment 23-24)
- Proof of entity Type (Attachment 25)
- Proof of SDB Status, if applicable (Attachment 26)

Written Documents

Big Picture

- Project Title
- Project Description
- Jobs created or saved
- Project Type
- Executive Summary

Project Details

- Community Anchor Summary
- Project map using the RUS mapping tool
- Service Area details
- Methodology for determining area status
- Technology Type and feasibility
- Description of network openness
- Number and cost of premises passed
- Competitor Service Details (Attachment 10)
- System Design (Attachment 11)
- Network Diagram (Attachment 12)
- Subscriber Projects and Service Tiers (Attachment 13)
- Service Metrics and Network Management (Attachment 14)

Organizational and Budget Documents

- Project Budget
- Self scoring
- Pro Forma 5-year Financial Forecast (Attachment 18 or 19)
- Pro Forma Financial Assumptions (Attachment 20)
- Consolidated Financials Reconciliation Schedule, if applying for multiple applications (Attachment 21)
- Projected Capitol Investment Workbook (Attachment 22)
- Organizational Charts (Attachment 27)
- Management Team Resumes (Attachment 28)
- Affordability (Attachment 29)

Other Documents and Uploads

- Legal Opinion (Attachment 1)
- Communities in the Proposed Funded Service Area (Attachment 2)
- Certifications (Attachments 4-8)
- Environmental Questionnaire (Attachment 9)
- Professional Engineer Certification, if applicable (Attachment 15)
- Licenses and Agreements (Attachment 16)

Project Team

To effectively complete an application each applicant will need a team with a diverse set of skills. Below are recommended team-members your grant writing and development team should include, along with the parts of the application each team member will be responsible for.

Writer: Someone who can create a compelling narrative for your proposed project. The writer should be responsible for project description, summary, as well as describing the impact and partners involved in the project.

Administrator: Someone who can compile the required documentation, including licenses, agreements, organizational charts, resumes and manage team tasks. The administrator should be responsible for inputting information into the application, coordinating the environmental questionnaire, securing the engineer certification, and legal opinion.

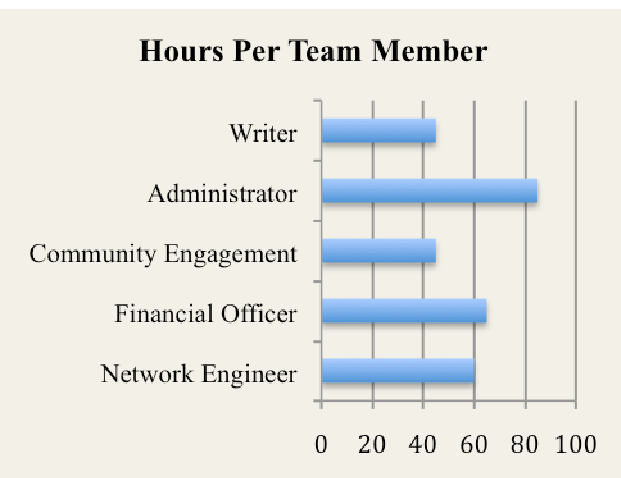
Evaluation Specialist / Community Engagement: Someone who can detail the populations, level of need and existing network data for the proposed funded service areas. Additional responsibilities include cost per premises passed, summarizing community anchors and communities involved.

Systems Integrator / Network Engineer: Someone who can detail the technical requirements and network infrastructure. Technical responsibilities include developing a network diagram, and mapping the services area using the RUS mapping tool.

Financial Officer: Someone who can detail the necessary budget items and assist with the development of the business model. The financial officer should be responsible for project budget, historical data, and budget forecasts.

Sample Timeline

The following timeline is a best guess estimate of time requirements for team-members to complete their items and we recommend applicants adjust accordingly based on the size and expertise of their team. The timeline assumes a certain level of organizational readiness and that specific data is known or available to the applicants including: the Middle Mile and/or Last Mile proposed funded service areas, and existing networks in the proposed funded service area. We estimate the application will take over 300 hours to complete and those interested in BIP funding without prior planning and access to data, while not discouraged from applying, will find it extremely difficult to meet an already challenging deadline.



Applicants should leave sufficient time to submit the application on-line and should strongly consider completing the application two-days prior to the March 15th deadline to avoid any technical issues related to the application servers or your own Internet connection.

Before beginning the application process, we encourage you take the following preliminary steps:

- Form a Steering Committee
- Form a Project Team
- Identify Key Team Members
- Outline Responsibilities for the Application
- Form a Grant Writing Team
- Create a Management Structure

Hours	Writer	Financial Officer	Evaluation Specialist / Community Engagement	Administrator	Systems Integrator / Network Engineer	Additional Actions		
5	Big picture documents (10 hrs.)	Outline budget details (15 hrs.)	Define proposed funded service area(s) (15-20 hrs.)	Required id. numbers (5 hrs.)	Conceptual network map (5-10 hrs.)	Inform elected officials and continue community engagement (on going)		
10				2yr. historical data (5 hrs.)				
15	Project detail documents (25 hrs.)	Service details and sustainability (15 hrs.)	Formalize partnerships with documentation such as MOUs and letters of support (10 - 15 hrs.)	Resumes and bios (5hrs.)	Network and system design (30-40 hrs.)			
20				Secure licenses and approvals needed (10 hrs.)				
25				Certifications (5 hrs.)				
30				Budget documents (15 hrs.)			Service Metrics (5 hrs.)	Secure legal opinion (10 hrs.)
35								
40	Organizational documents (10 hrs.)	Budget forecasts (15 hrs.)	Community tied application tasks (10 hrs)	Prepare application uploads (10 hrs.)	Final system map (5-10 hrs.)			
45								
50	Review application (40-50 hrs.)							
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100	Corrections and changes (10 hrs.)							
105								
110	Submit application (20 hrs.)							
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